



State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

DATE: April 4, 2014

PPL No. 14-006

TO: Local Educational Consortia (LEC) and  
Local Governmental Agency (LGA) Coordinators for  
School-Based Medi-Cal Administrative Activities (SMAA)

SUBJECT: **School-Based Medi-Cal Administrative Activities (SMAA) Appeal Process**

The purpose of the Policy and Procedure Letter (PPL) is to establish an SMAA Appeal Process (Attachment A) to provide Local Education Agencies (LEAs), LECs, and LGAs with defined procedures for appealing to the Department of Health Care Services (Department) certain administrative decisions or actions. This process instructs each of these MAA entities on how it may appeal a decision or action by another MAA entity, such as a LEA, LEC, or LGA, and request formal instruction from the Department regarding an unresolved or disputed issue.

**Background:**

Under Welfare and Institutions (W&I) Code Section 14132.47, the Department contracts with the LECs and LGAs to assist with the administration of the administrative claiming program. Each LEC or LGA may in turn subcontract with the LEAs in their region that choose to participate in the administrative claiming process. This appeal process is developed to resolve any administrative issues that may arise between contractors and/or subcontractors.

Relevant sections of the California State Welfare and Institutions Code provide:

. . . the director [of the department] shall have those powers and duties necessary to conform to requirements for securing approval of a [Medi-Cal] state plan under the provisions of the applicable federal law, and the department shall be the single state agency [to administer or to supervise the administration of the plan] for purposes of Title XIX of the federal Social Security Act [including Administrative Claiming] (W&I § 14100.1)

The department may contract with each participating local governmental agency or each local educational consortium to assist with the performance of administrative activities necessary for the proper and efficient administration of the Medi-Cal program, pursuant to Section 1903a of the federal Social Security Act (42 U.S.C. Sec. 1396b(a)), and this activity shall be known as the

Administrative Claiming process (W&I § 14132.47(b)).

. . . as a condition for participation in the Administrative Claiming process, each participating local governmental agency or each local educational consortium shall, for the purpose of claiming federal Medicaid reimbursement, enter into a contract with the department and shall certify to the department the total amount the local governmental agency or each local educational consortium expended on the allowable administrative activities (W&I § 14132.47(c)(1)).

Each participating local governmental agency or local educational consortium may subcontract with private or public entities to assist with the performance of administrative activities necessary for the proper and efficient administration of the Medi-Cal program under the conditions specified by the department in regulations (W&I § 14132.47(d)).

All requests for appeal and related information must be sent to the following address:

SMAA Unit Chief  
Department of Health Care Services  
Safety Net Financing Division/SMAA Program, MS 4603  
P.O. Box 997413  
Sacramento, CA 95899-7413

If you have any questions or require further assistance regarding this PPL, please contact Ms. Carolyn Cain-Smith, Chief, School-Based MAA Unit, at (916) 552-9049, [Carolyn.Cain-Smith@dhcs.ca.gov](mailto:Carolyn.Cain-Smith@dhcs.ca.gov).

Sincerely,

**Original Signed by Michelle Kristoff**

Michelle Kristoff, Chief  
Administrative Claiming and Local School Services Branch  
Safety Net Financing Division

### **Attachment A: SMAA Appeal Process**

- A request for appeal of an unresolved or disputed decision or action may be submitted by a LEA, LEC, or LGA.
- A request for appeal must be submitted to the Department within six (6) months of the unresolved or disputed decision or action by a LEA, LEC, or LGA. Exceptions to this six month time limit may be allowed for a showing of good cause.
- The LEA, LEC, or LGA appealing a decision or action must submit to the Department a request for appeal that includes the following documentation:
  - A written request for an appeal of an administrative decision or action. The request must include a clearly defined issue, background on the issue, including policy citations, as needed, and the desired outcome of the appeal.
  - Any back-up documentation including, but not limited to, invoices, contracts, claims, and written communications.
  - Documentation demonstrating that the appealing MAA entity took steps to resolve the issue with the other party prior to submitting the request for appeal to the Department.
  - Upon receipt of the request for appeal, the Department will notify the other party and provide an opportunity for the other party to submit a response.
  - The Department will review the request for appeal, including supporting materials, in light of applicable state and federal laws. The Department may interview relevant parties, as necessary, for clarification or additional information and may exercise its discretion to allocate an appropriate amount of time during the 90-day appeal process period to obtain any additional relevant records or information. The Department will issue a written decision, including reason(s) for the decision by the Department, to all parties involved within 90 days after the request for appeal has been received. This 90 day appeal process period may be extended if specified circumstances warrant an extension. However, it is the Department's intent to resolve all appeals as quickly as possible to facilitate the proper and efficient administration of the MAA program.